Mirror Worlds, LLC v. Apple, Inc. Doc. 13

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION

MIRROR WORLDS, LLC,	§	
	§	
Plaintiff,	§	
	§	Civil Action No. 6:08-CV-88 LED
v.	§	
	§	JURY TRIAL DEMANDED
APPLE INC.,	§	
	§	
Defendant.	§	
	§	

APPLE INC.'S ANSWER, AFFIRMATIVE DEFENSES AND COUNTERCLAIMS
TO MIRROR WORLDS, LLC'S COMPLAINT FOR PATENT INFRINGEMENT

Apple Inc. ("Apple") respectfully submits this Answer, these Affirmative Defenses and these Counterclaims in response to the Complaint ("Complaint") of Plaintiff Mirror Worlds, LLC ("Mirror Worlds") as follows:

PARTIES

1. Apple is without knowledge or information sufficient to form a belief as to the truth of the statements in Paragraph 1 of the Complaint, and, on that basis, denies the same.

2. Apple admits the allegations in Paragraph 2 of the Complaint.

3. Apple admits the allegations in Paragraph 3 of the Complaint.

JURISDICTION

4. Apple admits that Mirror Worlds' Complaint purports to be an action that arises under the Patent Act, 35 U.S.C. § 271 *et seq.*, but denies any wrongdoing or liability on its own behalf for the reasons stated herein. Apple admits that this Court has subject matter jurisdiction under 28 U.S.C. §§ 1331 and 1338(a).

5. Apple admits that the Court has personal jurisdiction over it. Apple admits that it has and does sell products and provide services to persons within the State of

Dockets.Justia.com

Texas and this District. Apple denies that it has committed any acts of infringement within this District of the State of Texas, and specifically denies any wrongdoing, infringement, inducement of infringement or contribution to infringement.

VENUE

6. Apple admits that it has and does sell products and provide services to persons within the State of Texas and this District, but it denies that it has committed any acts of infringement within this District or the State of Texas, and specifically denies any wrongdoing, infringement, inducement of infringement or contribution to infringement. Apple admits that venue is proper as to Apple in this District pursuant to 28 U.S.C. §§ 1391(b), (c) and 1400(b). To the extent not expressly admitted herein, Apple denies the remaining allegations of Paragraph 6 of the Complaint.

THE PATENTS-IN-SUIT

7. Apple admits that a document purporting to be United States Patent Number 6,006,227 ("the '227 patent") was attached as Exhibit 1 to Mirror Worlds' Complaint. Apple states that the '227 patent on its face is entitled "Document Stream Operating System" and identifies Eric Freeman and David H. Gelernter as inventors. Apple states that the '227 patent on its face identifies Yale University of New Haven, Connecticut as the assignee of the '227 patent. Apple is without knowledge or information sufficient to form a belief as to the truth of the allegations concerning Mirror Worlds' purported ownership in the '227 patent and, therefore, denies those allegations. To the extent not expressly admitted herein, Apple denies the remaining allegations of Paragraph 7 of the Complaint.

8. Apple admits that a document purporting to be United States Patent Number 6,638,313 ("the '313 patent") was attached as Exhibit 2 to Mirror Worlds' Complaint. Apple states that the '313 patent on its face is entitled "Document Stream Operating System" and identifies Eric Freeman and David H. Gelernter as inventors. Apple states that the '313 patent on its face identifies Mirror Worlds Technologies, Inc. of New

Haven, Connecticut as the assignee of the ’313 patent. Apple is without knowledge or information sufficient to form a belief as to the truth of the allegations concerning Mirror Worlds’ purported ownership in the ’313 patent and, therefore, denies those allegations. To the extent not expressly admitted herein, Apple denies the remaining allegations of Paragraph 8 of the Complaint.

9. Apple admits that a document purporting to be United States Patent Number 6,725,427 (“the ’427 patent”) was attached as Exhibit 3 to Mirror Worlds’ Complaint. Apple states that the ’427 patent on its face is entitled “Document Stream Operating System with Document Organizing and Display Facilities” and identifies Eric Freeman and David H. Gelernter as inventors. Apple states that the ’427 patent on its face identifies Mirror Worlds Technologies, Inc. of New Haven, Connecticut as the assignee of the ’427 patent. Apple is without knowledge or information sufficient to form a belief as to the truth of the allegations concerning Mirror Worlds’ purported ownership in the ’427 patent and, therefore, denies those allegations. To the extent not expressly admitted herein, Apple denies the remaining allegations of Paragraph 9 of the Complaint.

10. Apple admits that a document purporting to be United States Patent Number 6,768,999 (“the ’999 patent”) was attached as Exhibit 4 to Mirror Worlds’ Complaint. Apple states that the ’999 patent on its face is entitled “Enterprise, Stream-Based, Information Management System” and identifies Randy Prager and Peter Sparago as inventors. Apple states that the ’999 patent on its face identifies Mirror Worlds Technologies, Inc. of New Haven, Connecticut as the assignee of the ’999 patent. Apple is without knowledge or information sufficient to form a belief as to the truth of the allegations concerning Mirror Worlds’ purported ownership in the ’999 patent and, therefore, denies those allegations. To the extent not expressly admitted herein, Apple denies the remaining allegations of Paragraph 10 of the Complaint.

11. Apple admits that the Complaint identifies the ’227 patent, the ’313 patent, the ’427 patent, and the ’999 patent as the “Patents-in-Suit,” and adopts the same terminology in this Answer.

COUNT I – ALLEGED INFRINGEMENT OF U.S. PATENT NO. 6,006,227

12. Apple refers to and incorporates herein its answers as provided in Paragraphs 1-11 above.

13. Apple admits that it makes, uses and sells Mac computers, iPhones, iPods, and Mac OS X. To the extent not expressly admitted herein, Apple denies the remaining allegations of Paragraph 13 of the Complaint.

14. Apple is without knowledge or information sufficient to form a belief as to the truth of the statements in Paragraph 14 of the Complaint, and, on that basis, denies the same.

15. After reasonable investigation, Apple has found no evidence that, prior to this lawsuit, it had received actual notice of the ’227 patent, the predecessor’s products or the predecessor’s technology, and Apple denies all allegations set forth in Paragraph 15 of the Complaint on that basis.

16. Apple denies all allegations set forth in Paragraph 16 of the Complaint.

COUNT II – ALLEGED INFRINGEMENT OF U.S. PATENT NO. 6,638,313

17. Apple refers to and incorporates herein its answers as provided in Paragraphs 1-16 above.

18. Apple admits that it makes, uses and sells Mac computers and Mac OS X. To the extent not expressly admitted herein, Apple denies the remaining allegations of Paragraph 18 of the Complaint.

19. After reasonable investigation, Apple has found no evidence that, prior to this lawsuit, it had knowledge of the ’313 patent or knowledge of related technology or

products of a predecessor of Mirror Worlds, and Apple denies all allegations set forth in Paragraph 19 of the Complaint on that basis.

20. Apples denies all allegations set forth in Paragraph 20 of the Complaint.

COUNT III – ALLEGED INFRINGEMENT OF U.S. PATENT NO. 6,725,427

21. Apple refers to and incorporates herein its answers as provided in Paragraphs 1-20 above.

22. Apple admits that it makes, uses and sells Mac computers, iPods, iPhones, and Mac OS X. To the extent not expressly admitted herein, Apple denies the remaining allegations of Paragraph 22 of the Complaint.

23. After reasonable investigation, Apple has found no evidence that, prior to this lawsuit, it had knowledge of the ’427 patent or knowledge of related technology or products of a predecessor of Mirror Worlds, and Apple denies all allegations set forth in Paragraph 23 of the Complaint on that basis.

24. Apples denies all allegations set forth in Paragraph 24 of the Complaint.

COUNT IV – ALLEGED INFRINGEMENT OF U.S. PATENT NO. 6,768,999

25. Apple refers to and incorporates herein its answers as provided in Paragraphs 1-24 above.

26. Apple admits that it makes, uses and sells Mac computers, iPods, iPhones, and Mac OS X. To the extent not expressly admitted herein, Apple denies the remaining allegations of Paragraph 26 of the Complaint.

27. After reasonable investigation, Apple has found no evidence that, prior to this lawsuit, it had knowledge of the ’999 patent or knowledge of related technology or products of a predecessor of Mirror Worlds, and Apple denies all allegations set forth in Paragraph 27 of the Complaint on that basis.

28. Apple denies all allegations set forth in Paragraph 28 of the Complaint.

ALLEGED DAMAGES AND FIRST PRAYER FOR RELIEF

29. Apple refers to and incorporates herein its answers as provided in Paragraphs 1-28 above. Apple denies all allegations set forth in Paragraph 29 of the Complaint.

30. Apple denies all allegations set forth in Paragraph 30 of the Complaint.

RESPONSE TO PRAYER FOR RELIEF

31. Apple denies that Mirror Worlds is entitled to any of the relief sought in its prayer for relief against Apple, its agents, employees, representatives, successors and assigns, and those acting in privity or concert with Apple. Apple has not directly, indirectly, contributorily, and/or by inducement, infringed the Patents-in-Suit, either literally or by the doctrine of equivalents, willfully or otherwise. Mirror Worlds is not entitled to recover statutory damages, compensatory damages, or accounting, injunctive relief, costs, fees, interest, or any other type of recovery from Apple. Mirror Worlds' prayer should, therefore, be denied in its entirety and with prejudice, and Mirror Worlds should take nothing. Apple asks that judgment be entered for Apple and that this action be found to be an exceptional case entitling Apple to be awarded attorneys' fees in defending against Mirror Worlds' Complaint, together with such other and further relief the Court deems appropriate.

DEMAND FOR JURY TRIAL

32. Apple does not object to a trial by jury on all issues so triable.

AFFIRMATIVE DEFENSES

As and for its affirmative defenses, Apple alleges as follows:

First Affirmative Defense – Failure to State a Claim

33. The Complaint fails to state a claim upon which relief can be granted because Apple has not performed any act or thing and is not proposing to perform any act or thing in violation of any rights validly belonging to Mirror Worlds.

Second Affirmative Defense – Noninfringement

34. Apple does not infringe and has not infringed, either directly, indirectly, contributorily, or by inducement, any claims of the Patents-in-Suit, either literally or under the doctrine of equivalents, willfully or otherwise.

Third Affirmative Defense – Patent Invalidity

35. Mirror Worlds' alleged claims for infringement of the Patents-in-Suit are barred because each and every claim of the Patents-in-Suit is invalid for failure to comply with the requirements of Title 35 of the United States Code, including but not limited to Sections 102, 103, and/or 112.

Fourth Affirmative Defense – Laches

36. Mirror Worlds' claims for relief are barred in whole or in part by the equitable doctrine of laches.

Fifth Affirmative Defense – Time Limitation on Damages

37. Mirror Worlds' claims for relief and prayer for damages are limited by 35 U.S.C. § 286, which prohibits recovery for any infringement committed more than six years prior to the filing of the complaint.

Sixth Affirmative Defense – Estoppel

38. The Patents-in-Suit are limited and/or unenforceable by reason of estoppel.

Seventh Affirmative Defense – Lack of Standing

39. Mirror Worlds lacks standing to bring this suit because, as shown on the faces of the Patents-in-Suit, Mirror Worlds is not the assignee of the Patents-in-Suit.

Eighth Affirmative Defense – Marking

40. Mirror Worlds is barred in whole or in part from recovering damages under 35 U.S.C. § 287.

COUNTERCLAIM JURISDICTION AND VENUE

41. Apple is a corporation organized and existing under the laws of California with its principal place of business in Cupertino, California.

42. In Paragraph 1 of the Complaint, Mirror Worlds LLC purports to be organized under the laws of the State of Texas, with its principal place of business at 4540 Kinsey Drive, Tyler, Texas 75703.

43. These Counterclaims arise under the United States patent law, 35 U.S.C. § 101 *et seq.* These Counterclaims seek declaratory relief for which this Court has jurisdiction pursuant to 35 U.S.C. §§ 271 and 281, and 28 U.S.C. §§ 1331, 1338 and 2201.

44. To the extent that this action remains in this District, venue is appropriate because Mirror Worlds has consented to the propriety of venue in this Court by filing its claims for patent infringement in this Court, in response to which these Counterclaims are asserted.

45. This Court has subject matter jurisdiction over these Counterclaims pursuant to 28 U.S.C. §§ 1331 and 1338 in combination with 28 U.S.C. §§ 2201 and 2202.

COUNTERCLAIMS

COUNT ONE – UNITED STATES PATENT NO. 6,006,227

46. Mirror Worlds claims to be the owner of the ’227 patent, entitled “Document Stream Operating System,” filed on June 28, 1996 and issued on December 21, 1999. The ’227 patent on its face identifies as inventors Eric Freeman and David H. Gelernter. The ’227 patent on its face identifies as assignee Yale University of New Haven, Connecticut. See Exhibit 1 of Mirror Worlds’ Complaint.

A. Declaration of Noninfringement

47. Apple realleges and incorporates by reference the allegations set forth in Paragraphs 1-46 above as if fully set forth herein.

48. An actual and justiciable controversy exists between Apple and Mirror Worlds with respect to the ’227 patent because Mirror Worlds has brought the action against

Apple alleging that Apple infringes the ’227 patent, which allegation Apple denies. Absent a declaration of noninfringement, Mirror Worlds will continue to wrongfully assert the ’227 patent against Apple, and thereby cause Apple irreparable injury and damage.

49. Apple has not infringed the ’227 patent, either directly or indirectly, literally or under the doctrine of equivalents, willfully, or otherwise, and is entitled to a declaration to that effect.

50. This is an exceptional case entitling Apple to an award of its attorneys’ fees incurred in connection with this action pursuant to 35 U.S.C. § 285.

B. Declaration of Invalidity

51. Apple realleges and incorporates by reference the allegations set forth in Paragraphs 1-50 above as if fully set forth herein.

52. An actual and justiciable controversy exists between Apple and Mirror Worlds with respect to the ’227 patent because Mirror Worlds has brought the action against Apple alleging that Apple infringes the ’227 patent, which allegation Apple denies. Absent a declaration of invalidity, Mirror Worlds will continue to wrongfully assert the ’227 patent against Apple, and thereby cause Apple irreparable injury and damage.

53. The ’227 patent is invalid under the provisions of Title 35 of the United States Code, including but not limited to Sections 102, 103, and/or 112, and Apple is entitled to a declaration to that effect.

54. This is an exceptional case entitling Apple to an award of its attorneys’ fees incurred in connection with this action pursuant to 35 U.S.C. § 285.

COUNT TWO – UNITED STATES PATENT NO. 6,638,313

55. Mirror Worlds claims to be the owner of the ’313 patent, entitled “Document Stream Operating System,” filed on September 17, 1999 and issued on October 28, 2003. The ’313 patent on its face identifies as inventors Eric Freeman and David H.

Gelernter. The ’313 patent on its face identifies as assignee Mirror Worlds Technologies, Inc. of New Haven, Connecticut. See Exhibit 2 of Mirror Worlds’ Complaint.

A. Declaration of Noninfringement

56. Apple realleges and incorporates by reference the allegations set forth in Paragraphs 1-55 above as if fully set forth herein.

57. An actual and justiciable controversy exists between Apple and Mirror Worlds with respect to the ’313 patent because Mirror Worlds has brought the action against Apple alleging that Apple infringes the ’313 patent, which allegation Apple denies. Absent a declaration of noninfringement, Mirror Worlds will continue to wrongfully assert the ’313 patent against Apple, and thereby cause Apple irreparable injury and damage.

58. Apple has not infringed the ’313 patent, either directly or indirectly, literally or under the doctrine of equivalents, willfully, or otherwise, and is entitled to a declaration to that effect.

59. This is an exceptional case entitling Apple to an award of its attorneys’ fees incurred in connection with this action pursuant to 35 U.S.C. § 285.

B. Declaration of Invalidity

60. Apple realleges and incorporates by reference the allegations set forth in Paragraphs 1-59 above as if fully set forth herein.

61. An actual and justiciable controversy exists between Apple and Mirror Worlds with respect to the ’313 patent because Mirror Worlds has brought the action against Apple alleging that Apple infringes the ’313 patent, which allegation Apple denies. Absent a declaration of invalidity, Mirror Worlds will continue to wrongfully assert the ’313 patent against Apple, and thereby cause Apple irreparable injury and damage.

62. The ’313 patent is invalid under the provisions of Title 35 of the United States Code, including but not limited to Sections 102, 103, and/or 112, and Apple is entitled to a declaration to that effect.

63. This is an exceptional case entitling Apple to an award of its attorneys' fees incurred in connection with this action pursuant to 35 U.S.C. § 285.

COUNT THREE – UNITED STATES PATENT NO. 6,725,427

64. Mirror Worlds claims to be the owner of the '427 patent, entitled "Document Stream Operating System with Document Organizing and Display Facilities," filed on December 10, 2001 and issued on April 20, 2004. The '427 patent on its face identifies as inventors Eric Freeman and David H. Gelernter. The '427 patent on its face identifies as assignee Mirror Worlds Technologies, Inc. of New Haven, Connecticut. See Exhibit 3 of Mirror Worlds' Complaint.

A. Declaration of Noninfringement

65. Apple realleges and incorporates by reference the allegations set forth in Paragraphs 1-64 above as if fully set forth herein.

66. An actual and justiciable controversy exists between Apple and Mirror Worlds with respect to the '427 patent because Mirror Worlds has brought the action against Apple alleging that Apple infringes the '427 patent, which allegation Apple denies. Absent a declaration of noninfringement, Mirror Worlds will continue to wrongfully assert the '427 patent against Apple, and thereby cause Apple irreparable injury and damage.

67. Apple has not infringed the '427 patent, either directly or indirectly, literally or under the doctrine of equivalents, willfully, or otherwise, and is entitled to a declaration to that effect.

68. This is an exceptional case entitling Apple to an award of its attorneys' fees incurred in connection with this action pursuant to 35 U.S.C. § 285.

B. Declaration of Invalidity

69. Apple realleges and incorporates by reference the allegations set forth in Paragraphs 1-68 above as if fully set forth herein.

70. An actual and justiciable controversy exists between Apple and Mirror Worlds with respect to the ’427 patent because Mirror Worlds has brought the action against Apple alleging that Apple infringes the ’427 patent, which allegation Apple denies. Absent a declaration of invalidity, Mirror Worlds will continue to wrongfully assert the ’427 patent against Apple, and thereby cause Apple irreparable injury and damage.

71. The ’427 patent is invalid under the provisions of Title 35 of the United States Code, including but not limited to Sections 102, 103, and/or 112, and Apple is entitled to a declaration to that effect.

72. This is an exceptional case entitling Apple to an award of its attorneys’ fees incurred in connection with this action pursuant to 35 U.S.C. § 285.

COUNT FOUR – UNITED STATES PATENT NO. 6,768,999

73. Mirror Worlds claims to be the owner of the ’999 patent, entitled “Enterprise, Stream-Based, Information Management System,” filed on June 26, 2001 and issued on July 27, 2004. The ’999 patent on its face identifies as inventors Randy Prager and Peter Sparago. The ’999 patent on its face identifies as assignee Mirror Worlds Technologies, Inc. of New Haven, Connecticut. See Exhibit 4 of Mirror Worlds’ Complaint.

A. Declaration of Noninfringement

74. Apple realleges and incorporates by reference the allegations set forth in Paragraphs 1-73 above as if fully set forth herein.

75. An actual and justiciable controversy exists between Apple and Mirror Worlds with respect to the ’999 patent because Mirror Worlds has brought the action against Apple alleging that Apple infringes the ’999 patent, which allegation Apple denies. Absent a declaration of noninfringement, Mirror Worlds will continue to wrongfully assert the ’999 patent against Apple, and thereby cause Apple irreparable injury and damage.

76. Apple has not infringed the ’999 patent, either directly or indirectly, literally or under the doctrine of equivalents, willfully, or otherwise, and is entitled to a declaration to that effect.

77. This is an exceptional case entitling Apple to an award of its attorneys’ fees incurred in connection with this action pursuant to 35 U.S.C. § 285.

B. Declaration of Invalidity

78. Apple realleges and incorporates by reference the allegations set forth in Paragraphs 1-77 above as if fully set forth herein.

79. An actual and justiciable controversy exists between Apple and Mirror Worlds with respect to the ’999 patent because Mirror Worlds has brought the action against Apple alleging that Apple infringes the ’999 patent, which allegation Apple denies. Absent a declaration of invalidity, Mirror Worlds will continue to wrongfully assert the ’999 patent against Apple, and thereby cause Apple irreparable injury and damage.

80. The ’999 patent is invalid under the provisions of Title 35 of the United States Code, including but not limited to Sections 102, 103, and/or 112, and Apple is entitled to a declaration to that effect.

81. This is an exceptional case entitling Apple to an award of its attorneys’ fees incurred in connection with this action pursuant to 35 U.S.C. § 285.

RELIEF

WHEREFORE, Apple seeks the following relief:

a. That each and every claim of the ’227 patent, the ’313 patent, the ’427 patent, and the ’999 patent be declared not infringed and invalid;

b. That each and every claim of the ’227 patent be declared unenforceable;

c. That Mirror Worlds take nothing by its Complaint and that Mirror Worlds’ Complaint be dismissed with prejudice;

d. That pursuant to 35 U.S.C. § 285 and/or other applicable laws, Mirror Worlds' conduct in commencing and pursuing this action be found to render this an exceptional case and that Apple be awarded its attorneys' fees incurred in connection with this action;

e. That Apple be awarded its cost of suit incurred herein; and,

f. Apple be granted such other and additional relief as this Court deems just and proper.

Dated: May 21, 2008

Respectfully submitted,

/s/ Garland T. Stephens
Garland T. Stephens
Texas State Bar No. 24053910
Lead Attorney
WEIL, GOTSHAL & MANGES LLP
700 Louisiana St., Suite 1600
Houston, Texas 77002
713-546-5000 (Telephone)
713-224-9511 (Facsimile)
garland.stephens@weil.com

Sonal N. Mehta (*Pro Hac Vice*)
Stefani C. Smith (P*ro Hac Vice*)
WEIL, GOTSHAL & MANGES LLP
201 Redwood Shores Parkway
Redwood Shores, CA 94065
650-802-3000 (Telephone)
650-802-3100 (Facsimile)

ATTORNEYS FOR DEFENDANT APPLE INC.

CERTIFICATE OF SERVICE

This is to certify that all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3) on this the 21st day of May, 2008.

/s/ Pauline Justice
Pauline Justice